



DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal Nos. 14-24]

36(b)(1) Arms Sales Notification

AGENCY: Department of Defense, Defense Security Cooperation Agency.

ACTION: Notice.

SUMMARY: The Department of Defense is publishing the unclassified text of a section 36(b)(1) arms sales notification. This is published to fulfill the requirements of section 155 of Public Law 104-164 dated July 21, 1996.

FOR FURTHER INFORMATION CONTACT: Ms. B. English, DSCA/DBO/CFM, (703) 601-3740.

The following is a copy of a letter to the Speaker of the House of Representatives, Transmittals 14-24 with attached transmittal and policy justification.

Dated: July 28, 2014.

Aaron Siegel,
Alternate OSD Federal Register Liaison Officer,
Department of Defense.



DEFENSE SECURITY COOPERATION AGENCY
201 12TH STREET SOUTH, STE 203
ARLINGTON, VA 22202-5408

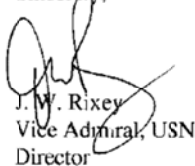
JUL 23 2014

The Honorable John A. Boehner
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Speaker:

Pursuant to the reporting requirements of Section 36(b)(1) of the Arms Export Control Act, as amended, we are forwarding herewith Transmittal No. 14-24, concerning the Department of the Navy's proposed Letter(s) of Offer and Acceptance to the Government of the Philippines for defense articles and services estimated to cost \$61 million. After this letter is delivered to your office, we plan to issue a press statement to notify the public of this proposed sale.

Sincerely,



J. W. Rixey
Vice Admiral, USN
Director

Enclosures:

1. Transmittal
2. Policy Justification



Transmittal No. 14-24

Notice of Proposed Issuance of Letter of Offer
Pursuant to Section 36(b)(1)
of the Arms Export Control Act, as amended

- (i) Prospective Purchaser: Government of the Philippines
- (ii) Total Estimated Value:
- | | |
|--------------------------|---------------------|
| Major Defense Equipment* | \$31 million |
| Other | <u>\$30 million</u> |
| TOTAL | \$61 million |
- (iii) Description and Quantity or Quantities of Articles or Services under Consideration for Purchase: Two (2) C-130T Aircraft, and 10 T56-16 engines (8 installed and 2 spares) from Department of Defense stock. Also included are logistical sustainment and support for a period of three years, modification equipment and labor costs, spare and repair parts, support equipment, publications and technical documentation, aircraft ferry support, personnel training and training equipment, U.S. Government and contractor logistics and technical support services, and other related elements of logistics and program support.
- (iv) Military Department: Navy (SCF)
- (v) Prior Related Cases, if any: None
- (vi) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: None
- (vii) Sensitivity of Technology Contained in the Defense Article or Defense Services Proposed to be Sold: None.
- (viii) Date Report Delivered to Congress: 23 July 2014

* as defined in Section 47(6) of the Arms Export Control Act.

POLICY JUSTIFICATION

Government of the Philippines – C-130T Aircraft

The Government of the Philippines has requested a possible sale from Department of Defense stock of two (2) C-130T Aircraft, and 10 T56-16 engines (8 installed and 2 spares). Also included are logistical sustainment and support for a period of three years, modification equipment and labor costs, spare and repair parts, support equipment, publications and technical documentation, aircraft ferry support, personnel training and training equipment, U.S. Government and contractor logistics and technical support services, and other related elements of logistics and program support. The estimated cost is \$61 million.

This proposed sale would contribute to U.S. security and foreign policy goals by building the Philippines' maritime domain security capacity and deepening our overall strategic partnership with the Philippines.

The Government of the Philippines desires these additional C-130s to bolster its lift capabilities, which are essential for providing humanitarian assistance and disaster relief. The Philippines will use this increased lift capability to improve the mobility and resupply of its forces and for the provision of humanitarian assistance in the Philippines and the wider region, thereby reducing the potential level of U.S. assistance requested/needed for these purposes. The Philippine Air Force (PAF) already has C-130 aircraft in its inventory and will have no difficulty absorbing these additional aircraft.

The proposed sale of these aircraft and support will not alter the basic military balance in the region.

Contractor requirements are still being researched, and will be fulfilled through open competition. Should USG representatives or contractor support in-country be required in support of the case, length of time in-country will be minimized to the maximum practical extent. There are no known offset agreements proposed in connection with this potential sale.

There will be no adverse impact on U.S. defense readiness as a result of this proposed sale.

Billing Code 5001-06

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